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20 November 1978

MEMORANDUM FOR: Deputy to the DCI for Resource Management

FROM:

[REDACTED]
Acting Director, Program Assessment Office

SUBJECT: PAO Report for SSCI--Studies and Analysis

REFERENCES:

- A. [REDACTED]
B. [REDACTED]
C. DCI/RM-78-4783 memo, dated 3 November 1978

1. [REDACTED] Action Requested: None. Purpose of this memorandum is to inform you of our planning to respond to SSCI request for report on Studies and Analysis.

2. [REDACTED] Background:

a. The SSCI has asked for a report on "Studies and Analysis." An extract of the SSCI's comments with respect to this report is located at the attachment.

b. Responsibility for the above study was given to PAO by references A and B. On 18 September 1978, you transferred the responsibility to CLLO. Finally, paragraph 5 of reference C transfers the action back to PAO.

c. [REDACTED] and I have also discussed the new terms of reference for the study which he negotiated with [REDACTED] on 19 October 1978. STAT

3. [REDACTED] Discussion:

a. I have designated [REDACTED] as the PAO action officer for this effort. If all goes well, [REDACTED] hopes to complete the study by 5 January 1979. 25X1 25X1

b. He will prepare an outline for your approval and will be tasking other elements of the staff and the Intelligence Community to assist as necessary.

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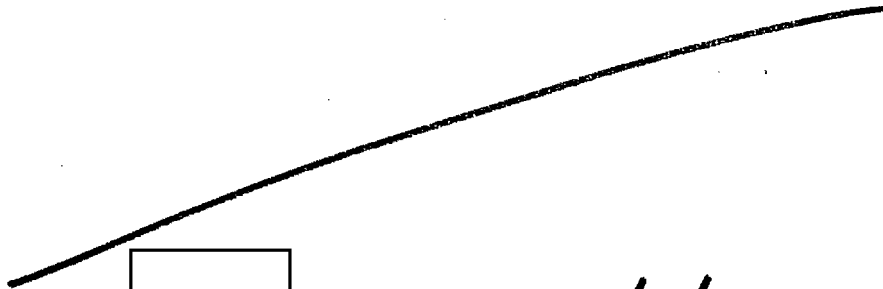
SUBJECT: PAO Report for SSCI--Studies and Analysis

25X1 4. ☐ Staff Position: This memorandum has been coordinated with CLLO.



25X1

Attachment:
SSCI's Comments



25X1 ☐ It is going to be very hard to do a creditable job in so short a time. Does he need any more help?

10. STUDIES AND ANALYSIS

The Committee is concerned about the studies and analysis efforts being funded by intelligence agencies with private corporations, universities and consultants. In general, the Committee supports the use of studies and analysis. The talent of individuals, educational institutions and private companies can improve the quality of support which intelligence provides to policymakers. These areas of expertise can be used as needed rather than requiring continual funding, and can provide a contrasting analytical perspective which enriches debate and provides more insights on complex issues. ☐

25X1

The Committee has several concerns:

-- Identifying the scope of the studies and analysis effort is difficult because of the wide variety of services provided by private organizations. ☐

25X1

-- Studies and analysis funds, particularly in the nonscientific areas, may need to be more carefully employed in long-term efforts to develop, sustain, and use the expertise of individuals and organizations in the private sector. ☐

25X1

-- The studies and analysis effort may need to be more carefully managed. The Committee does not favor centralized management because it believes that studies are extensions of analytical capabilities, and it feels the healthiest environment for producing valuable intelligence will be obtained by encouraging competing

25X1 analytical efforts. However, close coordination among agencies and evaluations of products are needed. ☐

-- Possible conflicts of interest may exist in private firms which have multiple rôles, such as designing collection systems for intelligence, analyzing resulting data, producing analyses of the threat from that data, and building weapons. ☐

25X1

25X1 The Committee requests that in the FY 1980 congressional justification materials each agency provide a list of its studies and analyses and their cost in a special schedule. In addition, the Committee would appreciate it if the DCI would provide by November 1, 1978, a report addressing the following major issues: ☐

25X1 -- An analysis of the work of the intelligence agencies in this area to include: addressing the major issues and concerns expressed above; providing a definitional framework within which to place these efforts vs. other contractual work done by private organizations; a funding history for these activities by agency and subject area during the past five years; and a projection of the general scope and content of these efforts over the next five years. ☐

-- A special analysis of the quality, cost and management of the nonscientific contractual efforts done

to support the production elements of the agencies, to include: identifying in order of priority the current analytical areas most in need of outside assistance; the principal external contractors and consultants used; the overall cost of the effort; the level of funding by agency during the past five years; and the results of any postmortem evaluations that have been undertaken. ☐

25X1

-- An identification of those firms which might be subject to conflicts-of-interest in the context as characterized by the Committee, an evaluation of the risk that such conflict may occur, and a detailed description of the specific checks which exist or will be implemented to ensure that the risk of conflict is minimized. ☐

25X1

1979-External Analysis in Support of
National Intelligence Products